

2144

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

CITY COURT OF SLIDELL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/24/09

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>INDEPENDENT AUDITORS' REPORT</u>		1 – 2
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>		3 – 7
<u>BASIC FINANCIAL STATEMENTS:</u>		
GOVERNMENTAL-WIDE FINANCIAL STATEMENTS (GWFS)		
Statement of Net Assets	A	8
Statement of Activities	B	9
FUND FINANCIAL STATEMENTS (FFS)		
Governmental Funds:		
Balance Sheet	C	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	13
Fiduciary Funds:		
Statement of Fiduciary Net Assets	G	14
Statement of Changes in Fiduciary Liabilities	H	15
NOTES TO FINANCIAL STATEMENTS		16 – 23
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	<u>SCHEDULE</u>	
Budgetary Comparison Schedule	A- 1	24
<u>OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS</u>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		25 – 26
Schedule of Findings and Questioned Costs		27 – 28

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM

JAMES E. LA PORTE*
RICHARD G. MUELLER
RONALD H. DAWSON, JR.*
KEVIN M. NEYREY
CLAUDE M. SILVERMAN*
W. ERIC POWERS
DENNIS J. TIZZARD*
JAMES E. TONGLET*

*PROFESSIONAL CORPORATION
*LIMITED LIABILITY COMPANY
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - RETIRED

INDEPENDENT AUDITORS' REPORT

To the Honorable Judge Jim Lamz
City Court of Slidell
Slidell, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Slidell (the City Court) as of and for the year ended December 31, 2008, which collectively comprise the City Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City Court of Slidell's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City Court of Slidell as of December 31, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 16, 2009 on our considerations of City Court of Slidell's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Honorable Judge Jim Lamz
City Court of Slidell
May 16, 2009
Page 2

The management's discussion and analysis and budgetary comparison information on pages 3 through 7 and page 24 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

May 16, 2009

Erickson, Krentel & LaPorte LLP

Certified Public Accountants

CITY COURT OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2008

As financial management of City Court of Slidell (the Court), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Court for the fiscal year ending December 31, 2008. This discussion and analysis is designed to assist the reader on focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The assets of the Court exceeded its liabilities by \$1,520,509 at December 31, 2008. Of this amount \$102,358 is invested in capital assets. \$61,366 in net assets are restricted and the remaining \$1,356,785 in net assets is unrestricted. The total net assets of the Court increased by \$165,785 or 12%.

The Court's total revenue was \$1,303,074 in 2008 compared to \$1,011,736 in 2007, which is an increase of \$291,338 or 29%.

Total expenses for the Court during the year ended December 31, 2008 were \$1,137,289 including depreciation expense and on-behalf payments made by the City of Slidell. These expenses compared to total expenses of \$939,179 during the year ended December 31, 2007 result in an increase of \$198,110 or 21%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the Court's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Court also includes in this report required additional supplemental information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Court's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Court's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Court's assets and liabilities, with the difference reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Court as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how the Court's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The government-wide financial statements are presented on pages 8 & 9 of this report.

CITY COURT OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2008

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Court uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Court's most significant funds rather than the Court as a whole.

The Court uses governmental funds and fiduciary funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Court's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 10 – 13 of this report.

Fiduciary funds are reported in a separate Statement of Fiduciary Net Assets. Activities from fiduciary funds are not included in the government-wide financial statements because the Court cannot use these assets for its operations. The Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statement is presented on page 14 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 16 of this report.

CITY COURT OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2008

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Court's budgetary comparison schedules for the general fund and special revenue funds. Required supplemental information can be found on page 24 of this report.

FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the Court, assets exceeded liabilities by \$1,520,509. The following table provides a summary of the Court's net assets:

SUMMARY OF NET ASSETS
AS OF DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 2,648,506	\$ 2,650,375
Capital assets	<u>102,358</u>	<u>39,998</u>
Total assets	<u>2,750,864</u>	<u>2,690,373</u>
Current liabilities	1,230,355	1,330,656
Non-current liabilities	<u>-</u>	<u>4,993</u>
Total liabilities	<u>1,230,355</u>	<u>1,335,648</u>
Net assets:		
Investment in capital assets	102,358	39,998
Restricted	61,366	142,338
Unrestricted	<u>1,356,785</u>	<u>1,172,388</u>
Total net assets	<u>\$ 1,520,209</u>	<u>\$ 1,354,724</u>

The Total Net Assets of the funds maintained by the Court's governmental activities increased by \$165,785 or 13% primarily due to the increase in capital assets purchased during 2008.

CITY COURT OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2008

CHANGE IN NET ASSETS
AS OF DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>Revenues:</u>		
Program:		
Fees, fines and charges for services	\$ 806,854	\$ 601,228
Operating grants and contributions	171,638	166,686
General:		
On-behalf payments	127,236	-
Intergovernmental	12,000	12,000
Interest income	38,969	74,560
Other	<u>146,377</u>	<u>157,261</u>
Total revenues	<u>1,303,074</u>	<u>1,011,735</u>
<u>Expenses:</u>		
Program:		
City Court	<u>1,137,289</u>	<u>939,179</u>
Change in net assets	165,785	72,556
Net assets, beginning of year	<u>1,354,724</u>	<u>1,282,168</u>
Net assets, end of year	<u>\$ 1,520,509</u>	<u>\$ 1,354,724</u>

BUDGETARY HIGHLIGHTS

The original budget adopted by the Court was amended during the fiscal year. The Court does not budget on behalf payments and related revenues for the salaries and related benefits of the Court's staff which are paid directly by other governmental agencies. During the year ended December 31, 2008 grant revenues were less than the amounts originally budgeted. These grants are on reimbursement basis and revenues are directly dependent on actual grant expenditures incurred. Therefore, the court does not amend its budget for variances in these grant revenues because reduced revenues equate directly to a reduction in expenditures.

CAPITAL ASSETS

The Court's investment in capital assets, net of accumulated depreciation, amounts to \$102,358 as of December 31, 2008. Capital assets include equipment, furniture and fixtures, and land. During 2008, the Court had asset additions of \$78,331 which consisted of land and computer equipment.

CITY COURT OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2008

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Court's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Ms. Susan Ordoyne, Clerk of Court, City Court of Slidell, 501 Bouscaren Street, Slidell, LA 70452.

BASIC FINANCIAL STATEMENTS

CITY COURT OF SLIDELL
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 2,149,920
Receivables, net	44,565
Restricted assets:	
Deferred compensation investments	436,402
Prepaid insurance	10,056
Deposits	7,563
Capital assets, net of accumulated depreciation	<u>102,358</u>
 Total assets	 <u>2,750,864</u>
 <u>LIABILITIES:</u>	
Accounts payable	15,844
Salary benefits payable	19,489
Compensated absences	12,925
Due to agency funds	193,558
Registry deposits	43,921
Appearance bonds pending	466,642
Deferred revenues	41,574
Payable from restricted assets:	
Deferred compensation due employees	<u>436,402</u>
 Total liabilities	 <u>1,230,355</u>
 <u>NET ASSETS:</u>	
Invested in capital assets	102,358
Restricted assets	61,366
Unrestricted	<u>1,356,785</u>
 Total net assets	 <u>\$ 1,520,509</u>

The accompanying notes are an integral part of this statement

CITY COURT OF SLIDELL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Court Costs Assessed and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>Governmental activities:</u>				
City Court	\$ 1,137,289	\$ 806,854	\$ 171,638	\$ (158,797)
Total governmental activities	<u>1,137,289</u>	<u>806,854</u>	<u>171,638</u>	<u>(158,797)</u>
General revenues:				
				12,000
				127,236
				38,969
				<u>146,377</u>
				<u>324,582</u>
				<u>165,785</u>
				<u>1,354,724</u>
				<u>\$ 1,520,509</u>

The accompanying notes are an integral part of this statement

CITY COURT OF SLIDELL
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2008

ASSETS

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental</u>
Cash and cash equivalents	\$ 2,088,554	\$ 61,366	\$ 2,149,920
Receivables, net	44,565	-	44,565
Restricted assets:			-
Deferred compensation investments	436,402	-	436,402
Prepaid insurance	10,056	-	10,056
Deposits	7,563	-	7,563
 Total assets	 <u>\$ 2,587,140</u>	 <u>\$ 61,366</u>	 <u>\$ 2,648,506</u>

LIABILITIES AND FUND BALANCES**LIABILITIES:**

Accounts payable	\$ 15,844	\$ -	\$ 15,844
Salary benefits payable	19,489	-	19,489
Due to agency funds	193,558	-	193,558
Registry deposits	43,921	-	43,921
Appearance bonds pending	466,642	-	466,642
Deferred revenues	41,574	-	41,574
Payable from restricted assets:			-
Deferred compensation due employees	436,402	-	436,402
 Total liabilities	 <u>1,217,430</u>	 <u>-</u>	 <u>1,217,430</u>

FUND BALANCES:

Unreserved	1,369,710	-	1,369,710
Reserved	-	61,366	61,366
 Total fund balances	 <u>1,369,710</u>	 <u>61,366</u>	 <u>1,431,076</u>
 Total liabilities and fund balances	 <u>\$ 2,587,140</u>	 <u>\$ 61,366</u>	 <u>\$ 2,648,506</u>

The accompanying notes are an integral part of this statement

CITY COURT OF SLIDELL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Fund balances - total governmental funds	\$ 1,431,076
--	--------------

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	102,358
---	---------

Long term liabilities are not due and payable in the current period and,
therefore are not reported in the governmental funds. All liabilities
(both current and long term) are reported in the Statement of Net Assets.

Compensated absences payable	(12,925)
------------------------------	----------

Net assets of governmental activities	\$ 1,520,509
---------------------------------------	--------------

The accompanying notes are an integral part of this statement

CITY COURT OF SLIDELL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund	Special Revenue Fund	Total Governmental
<u>REVENUES:</u>			
Court costs	\$ 362,866	\$ -	\$ 362,866
Charges for services	443,988	-	443,988
Grants	-	171,638	171,638
Intergovernmental	12,000	-	12,000
Interest income	37,287	1,682	38,969
On-behalf payments	127,236	-	127,236
Other	68,550	77,827	146,377
	<u>1,051,927</u>	<u>251,147</u>	<u>1,303,074</u>
<u>EXPENDITURES:</u>			
Personnel costs through on-behalf payments	127,236	-	127,236
Personnel services and benefits	493,536	49,629	543,165
Telephone	15,383	-	15,383
Insurance	13,547	3,536	17,083
Repairs and maintenance	1,009	39,440	40,449
Drug screens	3,004	9,467	12,471
Dues, subscriptions and licenses	1,790	-	1,790
Professional fees	101,785	90,717	192,502
Office supplies and library	35,081	914	35,995
Computer services	-	9,235	9,235
Storage rent	4,653	-	4,653
Operating leases	-	13,671	13,671
Witness expense	20,300	-	20,300
Transcripts	2,521	-	2,521
Filing/processing fees	8,212	-	8,212
Payroll taxes	10,297	1,922	12,219
Postage	14,500	790	15,290
Security	12,625	2,400	15,025
Travel	7,644	10,159	17,803
Seminars	1,843	2,275	4,118
Janitorial service	-	8,284	8,284
Capital outlays	76,621	1,711	78,332
Other	5,774	2,753	8,527
	<u>957,361</u>	<u>246,903</u>	<u>1,204,264</u>
Net change in fund balances	94,566	4,244	98,810
FUND BALANCES, BEGINNING	<u>1,189,928</u>	<u>142,338</u>	<u>1,332,266</u>
FUND BALANCES, ENDING	<u>\$ 1,284,494</u>	<u>\$ 146,582</u>	<u>\$ 1,431,076</u>

The accompanying notes are an integral part of this statement

CITY COURT OF SLIDELL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Net change in fund balances - total governmental funds	\$	98,810
--	----	--------

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays was exceeded by depreciation expense in the current period.		62,361
--	--	--------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Decrease in compensated absences		4,614
----------------------------------	--	-------

Change in net assets of governmental activities	\$	165,785
---	----	---------

The accompanying notes are an integral part of this statement

CITY COURT OF SLIDELL
STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Agency Fund</u>		
	<u>Civil Docket</u>	<u>Criminal Docket</u>	<u>Total</u>
<u>ASSETS:</u>			
Due from general fund	\$ 78,943	\$ 114,615	\$ 193,558
Total assets			
<u>LIABILITIES:</u>			
Due to others	78,943	114,615	193,558
Total liabilities	78,943	114,615	193,558
<u>NET ASSETS</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

CITY COURT OF SLIDELL
STATEMENT OF CHANGES IN FIDUCIARY LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Civil Docket	Criminal Docket	Total
<u>ADDITIONS:</u>			
Fines and bonds collected	\$ 603,943	\$ 1,670,416	\$ 2,274,359
<u>DEDUCTIONS:</u>			
Administrative fees	-	12,091	12,091
Breath analysis - city	-	2,950	2,950
Breath analysis - state	-	8,475	8,475
City of Slidell	-	456,673	456,673
City prosecutor	-	10,782	10,782
Crime stoppers	-	11,607	11,607
Criminal Court	-	239,555	239,555
Criminalistics	-	64,139	64,139
Department of public safety/machine	-	5,825	5,825
Disability affairs trust	-	225	225
District attorney's fund	-	144,372	144,372
Drug abuse education and treatment	-	1,790	1,790
I.A.A.	-	1,715	1,715
Indigent defender fund	-	222,861	222,861
Juvenile delinquent	-	2,075	2,075
Juvenile detention center	-	29,585	29,585
Juvenile traffic	-	9,250	9,250
Legislative fee	-	75	75
Louisiana law enforcement fund	-	11,789	11,789
Louisiana supreme court	-	12,220	12,220
Parish of St. Tammany	-	37,937	37,937
Parish of St. Tammany - sheriff	-	5,990	5,990
Sex offenders registry	-	17,728	17,728
Slidell city marshal	-	345,617	345,617
State of Louisiana	-	42	42
Traumatic head & spinal cord injury	-	15,311	15,311
Victim's of crime fund	-	7,252	7,252
Adoption fees	(1,995)	-	(1,995)
Civil fund	451,682	-	451,682
Covington Clerk of Court	8,386	-	8,386
Curator	155	-	155
First Circuit Court of Appeal	120	-	120
Garnishments	60	-	60
Judge fees	46,175	-	46,175
Judge supplemental compensation fund	37,359	-	37,359
Judgment payments	2,502	-	2,502
Refunds - filing fees	108	-	108
Refunds - unused court fees	3,922	-	3,922
Secretary of state	1,126	-	1,126
Service marshal	19,775	-	19,775
Service sheriff	8,098	-	8,098
Total deductions	577,473	1,677,931	2,255,404
Change in net assets	26,470	(7,515)	18,955
Fiduciary liabilities, beginning	52,473	122,130	174,603
Fiduciary liabilities, ending	\$ 78,943	\$ 114,615	\$ 193,558

The accompanying notes are an integral part of this statement

CITY COURT OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Operations

The City Court of Slidell was created by a special legislative act. Its jurisdiction extends throughout all of Wards 8 and 9 of St. Tammany Parish. The City Court handles civil suits up to \$35,000 and collects certain funds pursuant to state statute, which are under the control of the Court and are reported in the accompanying financial statements.

Reporting Entity

The City Court of Slidell is composed of a City Judge, a Marshal, and a Clerk of Court. The Judge and the Marshal are elected at the Congressional election every six years.

The financial statements include all organizations, activities, and functions that comprise the Court. Component units are legally separate entities for which the Court (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Court's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Court. Using these criteria, the Court has no component units.

Basis of Presentation

The accompanying financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Government-Wide Financial Statements-(GWFS)

The statement of net assets and the statement of activity display information about the Court as a whole. These statements include all of the financial activities of the Court. Information contained in these columns reflects the economic resources measurement and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

CITY COURT OF SLIDELL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

(1) SUMMARY OF SIGNTFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS) (continued)

Assets used in operation with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, leasehold improvements, and building are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements or construction in progress. Depreciable assets are recorded net of accumulated depreciation in the statement of net assets.

The statement of activities presents a comparison between direct expenses and program revenues for the activities of the Court. Program revenues are derived directly from Court users as fees for services; program revenues reduce the cost of the function to be financed from the Court's general revenues. Program revenues also consist of operating grants and contributions which are resources restricted for operating purposes of a program.

Fund Financial Statements (FFS)

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities of attaining certain objectives in accordance with specific regulations, restrictions or limitations. The various kinds in the financial statements in this report are grouped into three broad categories as follows:

General Fund Type

Governmental funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. During 2008, the City Court maintained a General Fund to account for all these general activities.

Special Revenue Fund

The City Court's special revenue fund accounts for the Judicial Building Funds and other intergovernmental revenues that are restricted to help defray the cost of certain programs, and grant funds received from the Louisiana Supreme Court Drug Court program as discussed in Note 7.

Fiduciary Fund Type

Agency funds are used to account for assets held by the City Court of Slidell, Louisiana as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equals liabilities) and do not involve the measurement of results of operations.

CITY COURT OF SLIDELL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt and compensated absences are recorded as fund liabilities when due. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures when incurred. Court fines and fees and interest are recorded when earned and measurable.

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the general fund. The City Court of Slidell presents, adopts and amends an operating budget as required by the Louisiana Local Government Budget Act. The budget is prepared on a modified accrual basis of accounting. All appropriations, which are not expended, lapse at year-end. Unexpended appropriations and any excess revenues over expenditures are carried forward to subsequent year as beginning fund balance.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, certificates of deposit and money market accounts. It is the policy of the Court to treat highly liquid investments with a maturity of ninety (90) days or less as cash equivalents.

CITY COURT OF SLIDELL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

(1) SUMMARY OF SIGNTFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (continued)

Louisiana revised statutes authorize the District to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

Capital Assets

Capital assets are recorded as expenditures at the time of purchase and the related assets are capitalized. All purchased fixed assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated fixed assets, if any, are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Assets over \$500 are capitalized. Depreciation is computed using the straight-line method over estimated lives of 5 years.

Prepaid Expenses

Prepaid expenses represent the unused portion of insurance and equipment maintenance policies in effect at the balance sheet date.

Use of Estimates in the Preparation of Financial Statements

The preparation of the Court's financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in 2008 financial statements.

CITY COURT OF SLIDELL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

All full time City Court employees who are paid on salary basis and work a regular full-time work week earn sick leave and annual leave. An employee may accumulate up to a maximum of thirty days annual leave. Any accrued annual leave in excess of thirty days shall be lost and not compensated. An employee may accumulate a maximum of ten days sick leave. Any accrued sick leave in excess of ten days shall be lost and not compensated. No payment for unused sick leave will be made at termination of employment.

The following is a schedule of the rates for vacation and sick leave:

<u>Service</u>	<u>Vacation Days</u>	<u>Sick Days</u>
7mo - 1 year	2	.5/day per month
1 - 5 years	10	.5/day per month
5 - 10 years	13	.5/day per month
11 - 15 years	15	.75/day per month
16 + years	20 max	1 day per month

The cost of current leave privileges is recognized as a current-year expenditure in the General Fund when the leave is actually taken. The total cost of leave privileges is recorded in the Statement of Net Assets.

Deferred Revenues

Deferred revenues represent partial payments on fines collected by the Probation Department. Once fines have been collected in full, the Court records its share of the fines as revenues and distributes the remaining amounts that are collected for other agencies.

(3) CASH AND CASH EQUIVALENTS

At December 31, 2008, the Court had cash and cash equivalents (book balances) totaling \$2,149,920. These deposits are stated at cost. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

CITY COURT OF SLIDELL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

(3) CASH AND CASH EQUIVALENTS (CONTINUED)

At December 31, 2008, the Court had \$2,199,835 in deposits (collected bank balances). These deposits are secured from custodial credit risk by \$250,000 of federal deposit insurance (GASB Category 1) and \$3,597,352 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Court that the fiscal agent has failed to pay deposited funds upon demand.

(4) RECEIVABLES

Receivables at December 31, 2008, were comprised of the following.

City of Slidell	\$ 12,000
Grant	27,689
Other	<u>4,876</u>
	<u>\$ 44,565</u>

No allowance for uncollectible accounts was required at December 31, 2008

(5) CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2008:

	<u>Balance 1/1/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2008</u>
Furniture, fixtures and equipment	\$ 219,791	\$ 15,308	\$ -	\$ 235,099
Land	-	63,023	-	63,023
Less: accumulated depreciation	<u>(179,793)</u>	<u>(15,971)</u>	<u>-</u>	<u>(195,764)</u>
Net capital assets	<u>\$ 39,998</u>	<u>62,360</u>	<u>\$ -</u>	<u>\$ 102,358</u>

For the year ended December 31, 2008, \$15,971 in depreciation expense was allocated to judicial activities.

CITY COURT OF SLIDELL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

(6) PENSION PLAN

The City Judge and Clerk of Court are partially covered under the pension plan of the City of Slidell and the Parish of St. Tammany, Louisiana, at no cost to the City Court. The City's plan also pays the pension of retired Judges. In 1991, the City Court adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Court employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency.

The City Court funds all amounts of compensation deferred under the Plan at the direction of the covered employees, through investments in annuity contracts underwritten by Great-West Life, which is the plan administrator. The court contributes a certain percentage of the employees' gross salary to the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employees or other beneficiary) are solely the property and rights of the City Court subject only to the claims of the City Court's general creditors. Participants' rights under the plan are equal to those of general creditors of the City Court in an amount equal to the fair value of the deferred account for each participant. The City Court has no liability for losses under the plan but does have the duty of due care. The City Court contributed \$34,500 to the plan in 2008. The market value of the plan assets as of December 31, 2008 is \$436,402.

(7) GRANTS

During 2008, the Court was awarded a grant from the Louisiana Supreme Court Drug Court program in the amount of \$171,638. These funds are accounted for in the Special Revenue Fund and are to improve the juvenile justice program services and facilities.

(8) LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations:

	<u>Balance</u> <u>1/1/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2008</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	\$ <u>17,539</u>	\$ <u>14,846</u>	\$ <u>(19,460)</u>	\$ <u>12,925</u>	\$ <u>12,925</u>

CITY COURT OF SLIDELL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

(9) OPERATING LEASES

The Court has cancelable and noncancelable operating leases for the rental of office equipment. The total amount charged to lease expense as a result of all operating leases was \$13,671 for the year ended December 31, 2008.

Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2008, are as follows:

2009	\$	10,151
2010		10,151
2011		10,151
2012		10,151
2013		<u>2,667</u>
	\$	<u>43,271</u>

(10) APPEARANCE BONDS PENDING

Appearance bonds pending represent amounts collected for cases that have not been settled at year end. When these cases are settled, the Court will record its share of these amounts as revenues and the remaining amounts will be distributed to other agencies.

(11) EXPENSES OF THE COURT PAID BY OTHERS

The accompanying financial statements do not include certain portions of the Court's expenses paid directly by other governmental entities. In compliance with Louisiana Revised Statute 13:2487.16 the City of Slidell furnishes a suitable court room and offices for the Clerk of Court, and the expenses of operation and maintenance of the court room and offices are legislatively mandated to be borne by the City of Slidell and St. Tammany Parish equally.

Compensation paid to the Judge and the Clerk of Court, has been prepared in compliance with Louisiana Revised Statute 13:1875 and 13:1874. Under statute 13:1875 the City of Slidell and St. Tammany Parish paid salaries and fringe benefits totaling \$88,841 on behalf of the Court. The fringe benefit payments include contributions of \$15,256 to the Louisiana State Employees' Retirement System (LASERS). Under statute 13:1874 the State of Louisiana paid an annual salary to the Judge totaling \$38,395 on behalf of the Court. On behalf payments totaling \$127,736 are included in the General Fund as revenues and personnel cost in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF SLIDELL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund			Variance Favorable (Unfavorable)	Special Revenue Funds			Variance Favorable (Unfavorable)
	Actual Amounts	Original Budget	Final Budget		Actual Amounts	Original Budget	Final Budget	
REVENUES:								
Court costs	\$ 362,866	\$ 200,000	\$ 365,000	\$ (2,134)	\$ -	\$ -	\$ -	\$ -
Charges for services	443,988	353,700	463,500	(19,512)	-	-	-	-
Grants	-	-	-	-	171,638	168,751	172,869	(1,231)
Intergovernmental	12,000	-	-	12,000	-	12,000	12,000	(12,000)
Interest	37,287	68,000	40,000	(2,713)	1,682	-	-	1,682
On behalf payments	127,236	-	-	127,236	-	-	-	-
Other	68,550	72,800	69,950	(1,400)	77,827	61,500	80,190	(2,363)
Total revenues	1,051,927	694,500	938,450	113,477	251,147	242,251	265,059	(13,912)
EXPENDITURES:								
Personnel costs through on-behalf payments	127,236	-	-	(127,236)	-	-	-	-
Personnel services and benefits	493,536	507,786	481,356	(12,180)	49,629	67,449	68,018	18,389
Telephone	15,383	13,250	15,450	67	-	-	-	-
Insurance	13,547	13,200	13,300	(247)	3,536	300	300	(3,236)
Repairs and maintenance	1,009	-	-	(1,009)	39,440	11,500	38,275	(1,165)
Drug Screens	3,004	-	1,500	(1,504)	9,467	9,031	10,000	533
Dues, subscriptions and licenses	1,790	4,500	2,000	210	-	-	-	-
Professional fees	101,785	50,842	98,514	(3,271)	90,717	89,158	92,486	1,769
Office supplies and library	35,081	23,996	31,450	(3,631)	914	1,004	1,000	86
Computer services	-	-	-	-	9,235	4,500	10,000	765
Storage rent	4,653	-	2,675	(1,978)	-	5,000	1,175	1,175
Operating leases	-	-	13,750	13,750	13,671	12,000	-	(13,671)
Witness expense	20,300	12,450	24,270	3,970	-	-	-	-
Transcripts	2,521	2,000	2,600	79	-	-	-	-
Filing/processing fees	8,212	3,682	6,600	(1,612)	-	-	-	-
Payroll taxes	10,297	8,146	12,225	1,928	1,922	1,849	775	(1,147)
Postage	14,500	22,750	17,250	2,750	790	250	250	(540)
Security	12,625	15,000	13,100	475	2,400	2,400	2,400	-
Travel	7,644	7,897	11,800	4,156	10,159	7,075	6,200	(3,959)
Seminars	1,843	1,350	1,150	(693)	2,275	1,575	3,000	725
Janitorial service	-	-	-	-	8,284	8,400	8,300	16
Capital outlays	76,621	173,165	55,605	(21,016)	1,711	15,618	22,845	21,134
Other	5,774	7,651	6,875	1,101	2,753	5,142	35	(2,718)
Total expenditures	957,361	867,665	811,470	(145,891)	246,903	242,251	265,059	18,156
Excess (deficiency) of revenues over (under) expenditures	94,566	(173,165)	126,980	(32,414)	4,244	-	-	4,244
FUND BALANCE, BEGINNING	1,189,928		1,383,822		142,338			
FUND BALANCE, ENDING	\$ 1,284,494		\$ 1,510,802		\$ 146,582		\$ -	

(See Auditors' Report)

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM

JAMES E. LAPORTE*
RICHARD G. MUELLER
RONALD H. DAWSON, JR.*
KEVIN M. NEYREY
CLAUDE M. SILVERMAN*
W. ERIC POWERS
DENNIS J. TIZZARD*
JAMES E. TONGLET*

*PROFESSIONAL CORPORATION
*LIMITED LIABILITY COMPANY
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - RETIRED

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Judge Jim Lamz
City Court of Slidell
Slidell, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Slidell (a component unit of the State of Louisiana), as of and for the year ended December 31, 2008, and have issued our report thereon dated May 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Slidell's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Slidell's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City Court of Slidell's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City Court of Slidell's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City Court of Slidell's financial statements that is more than inconsequential will not be prevented or detected by the City Court of Slidell's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City Court of Slidell's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Honorable Judge Jim Lamz
City Court of Slidell
May 16, 2009

in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Slidell's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

May 16, 2009

Erickson, Krentel & LaPorte LLP
Certified Public Accountants

CITY COURT OF SLIDELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

We have audited the financial statements of City Court of Slidell as of and for the year ended December 31, 2008, and have issued our report thereon dated May 16, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audits of the financial statements as of December 31, 2008 resulted in an unqualified opinion.

SECTION I SUMMARY OF AUDITORS' REPORTS

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses _____ Yes X No

Control Deficiencies _____ Yes X No

Compliance

Compliance Material to Financial Statements _____ Yes X No

b. Federal Awards – NOT APPLICABLE

Internal Control

Material Weaknesses _____ Yes _____ No

Control Deficiencies _____ Yes _____ No

Type of Opinion on Compliance Unqualified _____ Qualified _____
for Major Programs Disclaimer _____ Adverse _____

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)? _____ Yes _____ No

c. Identification of Major Programs: – NOT APPLICABLE

CFDA Number(s) Name of Federal Program (or Cluster)

Dollar threshold used to distinguish Type A and Type B Programs \$ N/A

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

____ Yes _____ No

CITY COURT OF SLIDELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION II FINANCIAL STATEMENT FINDINGS

None